Form (2)

THE REPUBLIC OF THE UNION OF MYANMAR

The Myanmar Investment Commission

PERMIT

Sr. No. 526
Date 31.10.2014

Date 31st October 2014

Permit No. 847/ 2014

This Permit is issued by the Myanmar Investment Commission according to the section 13, sub - section (b) of the Republic of the Union of Myanmar Foreign Investment Law-

(a) Name of Investor/Promoter MR. CHEW AI LENG MARTIN

(b) Citizenship SINGAPOREAN

(c) Address 39A, VILLA MONT KIARA, 16, JALAN KIARA, 50480 KUALA LUMPUR, MALAYSIA

(d) Name and Address of Principle Organization JOTUN A/S, P.O. BOX 2021, 3202 SANDEFJORD, NORWAY

(e) Place of Incorporation NORWAY

(f) Type of Investment Business MANUFACTURING AND MARKETING OF PAINTS FOR INDUSTRIAL, MARINE, DECORATIVE AND POWDER COATINGS

(g) Place (s) at which Investment is permitted PLOT NO. 31-KHA, 32-GA, 34-KHA, BAGO FOREIGN INDUSTRIAL AREA, BAGO REGION

(h) Amount of Foreign Capital US $ 11.80 MILLION

(i) Period for Foreign Capital brought in WITHIN 2 YEARS FROM THE DATE OF ISSUANCE OF MIC PERMIT

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US $ 11.80 MILLION

(k) Construction period 24 MONTHS

(l) Validity of investment permit 30 YEARS

(m) Form of investment WHOLLY FOREIGN OWNED INVESTMENT

(n) Name of Company incorporated in Myanmar JOTUN MYANMAR COMPANY LIMITED

Chairman

Myanmar Investment Commission

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်
မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်
ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၈၄၇/၂၀၁၄ ၂၀၁၄ ခုနှစ်၊ အောက်တိုဘာလ ၃၁ ရက်

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ဥပဒေ ပုဒ်မ ၁၃၊ ပုဒ်မခွဲ(ခ) အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ရင်းနှီးမြှုပ်နှံသူ/ကမကထပြုသူအမည် MR. CHEW AI LENG MARTIN

(ခ) နိုင်ငံသား SINGAPOREAN

(ဂ) နေရပ်လိပ်စာ 39A, VILLA MONT KIARA, 16, JALAN KIARA, 50480 KUALA LUMPUR, MALAYSIA

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ JOTUN A/S, P.O. BOX 2021, 3202 SANDEFJORD, NORWAY

(င) ဖွဲ့စည်းရာအရပ် NORWAY

(စ) ရင်းနှီးမြှုပ်နှံသည့်လုပ်ငန်းအမျိုးအစား MANUFACTURING AND MARKETING OF PAINTS FOR INDUSTRIAL, MARINE, DECORATIVE AND POWDER COATINGS

(ဆ) ရင်းနှီးမြှုပ်နှံသည့်အရပ်ဒေသ(များ) မြေကွက်အမှတ် ၃၁-ခ၊ ၃၂-ဃ၊ ၃၄-ခ၊ ပြည်ပစက်မှုနယ်မြေ၊ ပဲခူးတိုင်းဒေသကြီး

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း ပမာဏ အမေရိကန်ဒေါ်လာ ၁၁.၈၀ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ကော်မရှင်ခွင့်ပြုမိန့်ရရှိပြီး ၂နှစ်အတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်းပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၁၁.၈၀ သန်းနှင့် ညီမျှသော မြန်မာကျပ်ငွေ

(ဋ) တည်ဆောက်မှုကာလ ၂၄ လ

(ဌ) ရင်းနှီးမြှုပ်နှံမှုခွင့်ပြုသည့် သက်တမ်း ၃၀ နှစ်

(ဍ) ရင်းနှီးမြှုပ်နှံမှုပုံစံ ရာခိုင်နှုန်းပြည့်နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု

(ဎ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် ကုမ္ပဏီအမည် JOTUN MYANMAR COMPANY LIMITED

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

REPUBLIC OF THE UNION OF MYANMAR
MYANMAR INVESTMENT COMMISSION
No.(1), Thitsar Road, Yankin Township, Yangon

Our ref : DICA-3/FI-1012/2014(526)
Date : 31st October 2014

Tel: 01- 658128
Fax:95-1-658136

Subject: **Decision of the Myanmar Investment Commission on the Proposal for "Manufacturing and Marketing of Paints for industrial, marine, decorative and coatings powder" under the name of "Jotun Myanmar Company Limited"**

Reference: Jotun Myanmar Company Limited Letter dated (3.4.2014)

1. The Myanmar Investment Commission, at its meeting (23/2014) held on (10-10-2014) had approved the proposal for investment in "Manufacturing and Marketing of Paints for industrial, marine, decorative and coatings powder" under the name of "Jotun Myanmar Company Limited" submitted by Jotun A/S (99.99%) from Norway and Jotun Paints Sdn. Bhd. (0.01%) from Malaysia as a wholly foreign owned investment.

2. Hence, the "Permit" is herewith issued in accordance with Chapter VII, section 13(b) of the Foreign Investment Law and Chapter VIII, Rule 49 of the Foreign Investment Rules relating to Foreign Investment Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 30(thirty) years commencing from the date of the issuance of MIC permit. The term of the Lease Agreement for land between Bago Region Government and Jotun Paints Sdn. Bhd. shall be 50(fifty) years from the date of signing of this agreement and extendable for 10(ten) years two times period by mutual agreement by both parties. At the end of the Lease Agreement for land, Jotun Myanmar Company Limited shall transfer the leased land to the lessor within 3(three) months in good condition, ground damages having been refilled or repaired.

4. The annual rent for the land shall be calculated at the rate of US$ 2.50 per square metre for the first 10 years, at the rate of US$ 3.00 per square metre for the second 10 years and at the rate of US$ 3.50 per square metre for the third 10 years of land area of 39,679.462 square metre(9.805acres).

5. In issuing this "Permit," the Commission has granted, the followings, exemptions and reliefs as per Chapter XII, section 27(a), (h), (i) and (k) of Foreign Investment Law. Other exemptions and reliefs under section 27 shall have to be applied upon the actual performance of the project;

(a) As per section 27(a), income tax exemption for a period of five consecutive years including the year of commencement on commercial production;

(b) As per section 27(h), exemption or relief from custom duty or other internal taxes or both on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction of business;

(c) As per section 27(i), exemption or relief from customs duty or other internal taxes or both on raw materials imported for production for the first three-year after the completion of construction of business;

6. Jotun Paints Sdn. Bhd. shall have to sign the Lease Agreement for land with Bago Region Government. After signing the Agreement, (5) copies shall have to be forwarded to the Commission.

7. Jotun Myanmar Company Limited in consultation with the Department of Company Registration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum of Association and Articles of Association shall have to be forwarded to the Commission.

8. Jotun Myanmar Company Limited shall use its best efforts for timely realization of works stated in the proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

9. Jotun Myanmar Company Limited has to abide by Chapter X, Rule 58 and 59 of the Foreign Investment Rules for construction period.

10. As per Chapter X, Rule 61 of the Foreign Investment Rules, extension of construction period shall not be allowed more than twice except it is due to unavoidable events such as natural disasters, instabilities, riots, strikes, emergency of State condition, insurgency and outbreak of wars.

11. As per Chapter X, Rule 63 of the Foreign Investment Rules, if the Jotun Myanmar Company Limited cannot construct completely in time the construction period or extension period, the Commission will have to terminate the permit issued to the investor and there is no refund for the expenses of the project.

12. The commercial date of operation shall be reported to the Commission.

13. Jotun Myanmar Company Limited shall endeavour to meet the targets for production and export stated in the proposal as the minimum target.

14. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal and also in accordance with Chapter XI, section 24 and section 25 of the Foreign Investment Law and Jotun Myanmar Company Limited has to follow the existing Labour Laws for the recruitment of staff and labour in accordance with Chapter XIII, Rule 84 of the Foreign Investment Rules.

15. In order to evaluate foreign capital and for the purpose of its registration in accordance with the provisions under Chapter XV, section 37 of the Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened and defined under Chapter XVI, Rule 134 and 135 of the Foreign Investment Rules;

(b) the detailed lists of the type and value of foreign capital defined under Chapter I, section 2(i) of the Foreign Investment Law, other than foreign currency.

16. Whenever Jotun Myanmar Company Limited brings in foreign capital defined under Chapter I, section 2(i) of the Foreign Investment Law, other than foreign currency in the manner stated in paragraph 15(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

17. Jotun Myanmar Company Limited has the right to make account transfer and expend the foreign currency from his bank account in accordance with Chapter

XVI, Rule 136 of the Foreign Investment Rules and for account transfer of local currency generated from the business to the local currency account opened at the bank by a citizen or a citizen-owned business in the Union and right to transfer back the equivalent amount of foreign currency from the foreign currency bank account of a citizen or citizen-owned business by submitting the sufficient document in accordance with Chapter XVII, Rule 145 of the Foreign Investment Rules.

18. Jotun Myanmar Company Limited shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

19. Jotun Myanmar Company Limited shall be responsible for the preservation of the environment at and around the area of the project site. In addition to this, it shall carry out as per instructions made by Ministry of Environmental Conservation and Forestry in which to conduct Environmental Management Plan (EMP) which describe the measure to be taken for preventing, mitigation and monitoring significant environmental impacts resulting from the implementation and operation of proposed project or business or activity has to be prepared and submitted and to perform activities in accordance with this EMP and to abide by the environmental policy, Environmental Conservation Law and other environmental related rules and procedures.

20. After getting permit from Myanmar Investment Commission, Jotun Myanmar Company Limited shall have to be registered at the Directorate of Industrial Supervision and Inspection.

21. Jotun Myanmar Company Limited shall have to abide by the Fire Services Department's rules, regulations, directives and instructions. Moreover, fire prevention measures shall have to undertake such as water storage tank, fire extinguishers and provide training to use the fire fighting equipment and also to appoint the fire safety officer.

22. Payment of principal and interest of the loan (if any) as well as payment for import of raw materials and spare parts etc., shall only be made out of the local sales of Jotun Myanmar Company Limited.

23. Jotun Myanmar Company Limited in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter XII, Rule 79 and 80 of the Foreign Investment Rules.

(Zay Yar Aung)
Chairman

Jotun Myanmar Company Limited

cc:
1. Office of the Union Government of the Republic of the Union of Myanmar
2. Ministry of Home Affairs
3. Ministry of Foreign Affairs
4. Ministry of Environmental Conservation and Forestry
5. Ministry of Electric Power
6. Ministry of Immigration and Population
7. Ministry of Industry
8. Ministry of Commerce
9. Ministry of Finance
10. Ministry of National Planning and Economic Development
11. Ministry of Labour, Employment and Social Security
12. Office of the Bago Region Government
13. Director General, Directorate of Investment and Company Administration
14. Director General, Directorate of Industrial Supervision and Inspection
15. Director General , Department of Human Settlement & Housing Development
16. Director General, Customs Department
17. Director General, Internal Revenue Department
18. Director General, Directorate of Trade
19. Director General, Immigration and National Registration Department
20. Director General, Directorate of Labour
21. Director General, Department of Environmental Conservation
22. Director General, Fire Services Department
23. Managing Director, Myanma Foreign Trade Bank

24. Managing Director, Myanma Investment and Commercial Bank
25. Managing Director, Myanma Insurance
26. Managing Director, Myanma Electric Power Enterprise
27. Chairman, Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry(UMFCCI)